

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JACKSON PURCHASE ELECTRIC
COOPERATIVE CORPORATION, INC.

ALLEGED FAILURE TO COMPLY WITH
COMMISSION REGULATIONS

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) CASE NO. 96-429
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O R D E R

On September 4, 1996, the Commission directed Jackson Electric Cooperative Corporation, Inc. ("Jackson Purchase ECC") to appear at a hearing to show cause why it should not be penalized pursuant to KRS 278.990(1) for its alleged violation of Administrative Regulations 807 KAR 5:006, Section 26, and 807 KAR 5:041, Section 3.

Following the commencement of this proceeding, Jackson Purchase ECC and Commission Staff entered into negotiations to resolve all outstanding issues. On February 18, 1997, they executed a Settlement Agreement which is appended hereto.

In reviewing this Settlement Agreement, the Commission has considered, inter alia, the circumstances surrounding the April 29, 1996 incident and Jackson Purchase ECC's efforts to comply with the Commission's safety regulations.

After reviewing the Settlement Agreement, as amended, and being otherwise sufficiently advised, the Commission finds that it is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement is incorporated into this Order as if fully set forth herein.

2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.

3. Within 10 days of the date of this Order, Jackson Purchase ECC shall pay to the Commonwealth of Kentucky the sum of One Thousand (\$1,000) Dollars. This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.


4. This case is closed and shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 3rd day of April, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 96-429 DATED APRIL 3, 1997

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SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 18th day of February, 1997, by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY ("Commission Staff") and JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION, INC. ("Jackson Purchase ECC").

WITNESSETH:

THAT, WHEREAS, the Commission Staff issued an Utility Accident Investigation Report dated August 1, 1996 ("Investigation Report") detailing its investigation of an incident which occurred on April 29, 1996 and involved Jackson Purchase ECC facilities; and,

WHEREAS, Commission Staff in its Investigation Report found that, at the time of the incident, Jackson Purchase ECC employee Michael S. Washam failed to comply with National Electrical Safety Code Section 420H and that, as a result of Mr. Washam's failure, a probable violation of Administrative Regulation 807 KAR 5:041, Section 3(1), had occurred; and,

WHEREAS, Commission Staff in its Investigation Report further found that Jackson Purchase ECC had failed to report the incident within 2 hours after learning of it and to submit a summary written report on the incident within 7 days of incident's occurrence, and that these failures constituted probable violations of Public Service Commission Regulation 807 KAR 5:006, Section 26; and,

WHEREAS, on September 4, 1996, the Public Service Commission found that prima facie evidence existed that Jackson Purchase ECC had failed to comply with Administrative Regulations 807 KAR 5:006, Section 26(1) and 807 KAR 5:041, Section 3(1); and,

WHEREAS, on September 4, 1996, the Public Service Commission ordered Jackson Purchase ECC to show cause why it should not be subject to the penalties of KRS 278.990 for its alleged violation of Administrative Regulations 807 KAR 5:006, Section 26, and 807 KAR 5:041, Section 3(1); and,

WHEREAS, Jackson Purchase ECC and Commission Staff stipulate that:

1. At approximately 4:00 p.m., Central Standard Time, on April 29, 1996, Michael S. Washam suffered flash burns to his eyes and face while removing a damaged lightning arrestor. Washam was removing a hot lead connected to the arrestor when the arrestor fired.
2. At the time of the incident, Washam was not wearing the protective safety glasses which Jackson Purchase ECC had provided him.
3. Washam was treated for his injuries at Lourdes Hospital in Paducah, Kentucky.
4. At the time of the incident, Washam was an employee of Jackson Purchase ECC and was acting in the scope of his employment.

5. At the time of the April 29, 1996 incident, Jackson Purchase ECC owned and maintained the facilities in question.
6. The facilities in question are located at the intersection of Lightfoot Road and Richman Road in West Paducah, Kentucky
7. Jackson Purchase ECC learned of the incident at approximately 8:30 p.m., Central Standard Time, on April 29, 1996.
8. Jackson Purchase ECC did not report the incident to the Public Service Commission until May 15, 1996.
9. On May 15, 1996, Jackson Purchase ECC submitted a written report on the incident to the Public Service Commission.
10. Administrative Regulation 807 KAR 5:006, Section 26(1)(a), requires an electric utility to report any utility related accident which results in a burn requiring medical treatment at a hospital or similar medical facility within 2 hours of learning of the incident.
11. Administrative Regulation 807 KAR 5:006, Section 26(2), requires an electric utility to submit a summary written report of any utility related accident within 7 days of the incident.
12. Administrative Regulation 807 KAR 5:041, Section 3 requires an electric utility to construct and maintain its electric facilities in accordance with the National Electrical Safety Code (1990 ed.) ("NESC").
13. NESC Section 420H requires employees to "use the personal protective equipment, the protective devices, and the special tools provided for their work."
14. Washam's failure to wear his protective safety glasses constituted a violation of NESC Section 420H.

WHEREAS, Jackson Purchase ECC and Commission Staff desire to settle the issues raised by this proceeding.

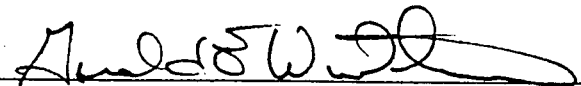
NOW, THEREFORE, Jackson Purchase ECC and Commission Staff agree that:

1. Within 10 days of after the entry of an Order approving this Settlement Agreement, Jackson Purchase ECC shall pay to the Commonwealth of Kentucky the sum of One Thousand (\$1,000) Dollars. This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.
2. Jackson Purchase ECC recognizes and acknowledges its obligation under Administrative Regulation 807 KAR 5:006, Section 26(1) to promptly report utility-related accidents. It further recognizes and acknowledges that this obligation may not lawfully be delegated or assigned to an agent or third-party.
3. Nothing contained herein shall be construed as an admission of a violation of any administrative regulation by Jackson Purchase ECC.
4. This Settlement Agreement resolves all issues arising out of the April 29, 1996 incident.
5. This Agreement is subject to the acceptance of and approval by the Public Service Commission.
6. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory.

7. If the Public Service Commission accepts and adopts this Settlement Agreement in its entirety and enters an order in this proceeding to that effect, Jackson Purchase ECC shall not apply for rehearing in this proceeding nor bring an action for review of that order.


IN WITNESS WHEREOF, Jackson Purchase ECC and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE COMMISSION OF
KENTUCKY

BY: 

TITLE: Staff Attorney

JACKSON PURCHASE ELECTRIC
COOPERATIVE CORPORATION

BY: 

TITLE: Interim General Manager